

NOTE

\$1,000,000.00

Yorktown, VA

November __, 2001

FOR VALUE RECEIVED, the undersigned Maker, whether one or more, promises to pay to the County of York, Virginia, or order (the "Noteholder"), at 224 Ballard Street, Yorktown, Virginia 23690 or at such other place as the Noteholder may designate in writing, without offset, the principal sum of ONE MILLION DOLLARS (\$1,000,000.00) or such lesser amount as shall have been advanced pursuant to the terms hereof with interest thereon at a rate of 5.5% per annum, in lawful money of the United States of America, on or before December 1, 20__.

Interest on the outstanding principal balance of this Note shall be due and payable in quarterly payments beginning on the first day of the calendar quarter following the first advance under this Note and continuing on the first day of each calendar quarter thereafter until December 1, 20__ when all remaining principal and interest on the Note shall be due and payable in full.

Right of anticipation of all or part is hereby reserved at any time without penalty or charge. Any prepayment shall include interest to the date of payment. Partial prepayments shall be applied to the installments due hereunder in the inverse order of their maturity.

Loan proceeds shall be used by Maker to make a loan to Yorktown Freight Shed L.P. for the purpose of moving, rehabilitating, and associated sitework and auxiliary building construction for the Freight Shed, in Yorktown, Virginia (the "Property") which loan shall be secured by a Deed of Trust on the Property. Maker agrees that in the event that Yorktown Freight Shed L.P. defaults on such loan and Maker, by foreclosure or otherwise, acquires the

Property, Maker shall convey the Property to Noteholder in full satisfaction of the obligations hereunder.

Noteholder shall make an initial advance of \$400,000 to Maker on the date hereof. Further advances shall be made under this Note, at the discretion of the County Administrator of the County of York, upon application by the Maker to the Noteholder for progress payments for moving, rehabilitation and associated sitework and auxiliary building expenses of the Property, or other application. Maker authorizes Noteholder to note within its records all advances made by the Noteholder hereunder and all payments of principal hereunder; provided, however, that failure to make any such record shall not limit or otherwise affect the obligations of the Maker. In the absence of manifest error, the Noteholder's record of such advances and payments shall be conclusive as to the outstanding principal balance of the Note.

It shall be an event of default under this Note if: any payment hereunder is not paid within ten (10) days of the date when due; upon the dissolution or death of Maker; upon the appointment of a receiver or assignment for the benefit of creditors of all or part of the business or property of Maker; upon commencement of any proceeding in bankruptcy by or against Maker; or Noteholder, in good faith, believes that payment or performance hereunder is or will be impaired and so notifies Maker of the reasons therefor with ten (10) days to cure or otherwise correct any condition of impairment to the reasonable satisfaction of Noteholder.

Upon the occurrence of an event of default, the unpaid principal balance of this Note, together with all accrued interest thereon, may, at the option of the Noteholder, be declared due and payable at once. Failure to exercise this option shall not constitute a waiver of the right to

exercise the same in the event of any subsequent default. The interest provided for shall be at the rate of twelve percent (12%) per annum on all matured and unpaid principal amounts during the period of any default, or such lesser sum to which the holder may be limited by law.

In the event that any payment of principal or interest due hereunder shall remain unpaid for more than ten (10) consecutive days after the date when due, the Noteholder may assess a late charge of five percent (5%) of such overdue payment which late charge shall become due and payable on demand.

Maker of this Note waives presentment, demand, protest and notice of dishonor, as well as the benefit of any exemption under the Homestead and all other exemption or insolvency laws as to this debt, and agrees to remain bound for the payment hereof notwithstanding any agreement or agreements for the extension of the due date of this Note, made by the Noteholder before, on, or after maturity thereof, even though without their or any of their consent, or without notice to them or any of them. Maker further agrees to pay all expenses incurred in the collection of this Note, including reasonable attorneys' fees of not less than fifteen percent (15%) of the amount subject to collection.

WITNESS the following signature(s) and seal(s):

MAKER:

Industrial Development Authority of York County,

Virginia

By: _____ (SEAL)
Its: _____